

AMALGAMATION - the costly experiment that failed



I see that the Mayor has begun his annual softening up process with dire warnings of double digit rate rises and cuts to services. This is supposed to alarm ratepayers and fill us with expectations of doom and gloom so that when the actual, slightly smaller, rises are announced, while still substantial, don't seem quite as bad as we thought they would be. This is all very well, and it has become a part of standard political chicanery, but really, it doesn't hide the fact that our communities have been well and truly duded by a state government that forcibly amalgamated the councils of Stanthorpe and Warwick in the name of financial viability, greater efficiencies, better services and lower rates. Amalgamation has delivered none of these, quite the contrary. Councils throughout Queensland are complaining that they are mired in debt. LGAQ surveys show that ratepayers are more dissatisfied with their councils post-amalgamation than they have ever been since the surveys began in the mid nineties. Council functions are ever-more tightly controlled by state regulation with ratepayers footing the bill.

Of course, this comes as no surprise to some of us who tried to fight the process and pointed to the ample evidence from other states and other countries where amalgamation has been tried in the past. The title of this piece, 'Amalgamation - the costly experiment that failed' came from Ottawa in Canada where mergers were foisted upon the unsuspecting populace in 2001 with promises of dramatic improvements that failed to eventuate.

Now, Di McCauley, former Queensland Local Government and Planning Minister, one of the gang of seven Local Government Reform Commissioners that delivered the merger recommendations for Beattie to actuate 'lock, stock and barrel', has recently expressed concern that the amalgamations don't seem to be delivering the benefits they were supposed to. That's pretty rich considering that the Commission saw no substantive evidence or cost-benefit analysis to support the recommended amalgamations - but they did it anyway.

I read in the Sydney Morning Herald that the Business Council down there is recommending substantial council amalgamations in the city and point to the Queensland experience to support their case. According to their CEO, the public in Queensland are now 'extremely happy' with our amalgamated councils! In Northern Ireland, the government is proposing to reduce their 22 councils to just 11 through amalgamation. They are demanding that councils borrow the 138 million pounds it will cost to effect the mergers and then repay that loan from the savings. I've heard a number of Irish jokes in my time but this is beyond a joke!

Now, the government of Western Australia is poised to follow the Queensland amalgamation script pretty well word for word. We had our 'voluntary' Size, Shape and Sustainability process before Beattie used his government's huge parliamentary majority to ram through the Local Government Reforms, in WA they have their Systemic Sustainability Study Taskforce with Local Government Minister, John Castrilli, threatening that if councils don't amalgamate 'voluntarily' he will have to step in. It seems to be completely irrelevant to them that the WA public is as vehemently opposed to losing their local councils as we were.

Stanthorpe, by any assessment has gained nothing from amalgamation with Warwick and, in fact has lost a great deal. We went from \$15 million in the black to about the same in the red. We have

lost control over our destiny, decision making is being centralised in Warwick and our businesses are suffering. Rates have risen substantially and services have stagnated - and there are worse times to come. If by some miracle, the LNP wins government at the next state election in 2012, they have assured us that Stanthorpe will be offered the opportunity to de-amalgamate. However, there are many (often with vested interests to protect) who say that it is too difficult and costly to unscramble the omelette. My own advice is that Stanthorpe should seize the opportunity with both hands if it arises. A future as the backside of Warwick is just too awful to contemplate.

There are many, many examples throughout the world where, as the grim realities of amalgamation have sunk in, separation has been effected with little pain or cost. The truth is, Stanthorpe cannot afford to pass up the opportunity to regain its independence. I just hope the community has the strength and courage to resist those who will seek to retain the status quo for their own selfish ends.

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June 2010